and revenue figures for the period April, '87 to February, '88 is about 107924 MT and Rs. 772.62 crores. For the period March, '88 to February, '89 the production and revenue is about 147615 MT and Rs. 745.36 crores. On this basis, during the year 1988-89, the increase in production after the duty reduction is approximately 25.4 per cent and decrease in the revenue realisation is about 11.6 per cent.

(c) Information regarding excise duty rate of PFY in Pakistan Bangladesh and Nepal and production cost in Taiwan, South Korea, Japan is not available.

(d) and (e) Excise duty is only one of the constituents of the market price of filament yarn. There are no reports of smuggling on account of levy of excise duties.

Setting up an Integrated Steel Plant at Salem (Tamil Nadu)

1068. SHRI S. K. T. RAMACHANDRAN: Will the Minister of STEEL AND MINES be pleased to state whether Government propose to set up an integrated steel plant at Salem in addition to the existing steel plant which has the facility of manufacturing stainless steel only?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): No, Sir.

Pepsi Food Processing Project

1069. SHRI CHIMANBHAI MEHTA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) what are the major drawbacks found in on-going Pepsi Food Processing project in Punjab;

(b) what was the originally projected foreign capital component invested in the project and what is the actuality;

(c) what was the export commitment of Pepsi vis-a-vis its performance and what are the penal clauses for the breach;

(d) what was the projected domestic sale and what is modified sanction; and

(e) why multi-national was allowed to enhance higher domestic sale quota at the cost of local industry?

THE MINITER OF TEXTILES AND FOOD PROCESSING INDUSTRIES (SHRI HUKUMDEO NARAYAN YADAV): (a) A team consisting of three officers was deputed to visit establishments of M/s Pepsi Foods Private Limited to make on-the-spot study on the present status of the project. The team has *inter alia* observed that no exports from out of the products manufactured by M/s Pepsi Foods Private Limited had been made towards comitment of 40 per cent exports stipulated in the Letter of Intent. The team has further indicated that out of the select List exports worth Rs. 86.90 lakhs are reported to have been made.

(b) As per the foreign collaboration approval, foreign equity of 39.89 per cent amounting to Rs. 3.59 crores by M/s Pepsi Co. Inc. USA, was allowed. The total project cost was however, later on increased and as such the foreign equity component had also undergone a change. According to the revised project cost, although foreign equity in percentage terms in the same i.e. 39.89 per cent, in absolute terms this amount has been increased from Rs. 3.59 crores to Rs. 9.97 crores.

(c) As per the conditions laid down in the Letter of Intent/Foreign Collaboration approval, Pepsi project shall export 50 per cent of its total turnover each year for a period of 10 years, from the commencement of comercial production, of which 40 per cent will be from the Company's own manufactured products and 10 per cent from Select List products manu-

factured by others. The foreign exchange inflow shall not be less than 5 times foreign exchange outgo of the Project during the above mentioned 10 years period. As indicated above, the team of officers has observed that no exports from out of the products manufactured by the company have been made towards commitment of 40 per cent exports stipulated in the Later of Intent. The team has, however, indicated that out of Select List products, export worth Rs. 86.90 lakhs are reported to have been made.

In case of default/shortfall in fulfilling the export obligation, established and not condoned, Chief Controller of Imports & Exports can proceed against the defaulter in any of the following manners:—

(i) to direct the party to hand over to the STC or another Agency nominated by the Government the goods equivalent to difference between stipulated export obligation and actual export made in discharge of export obligation in question.

(ii) the defaulting party will be required to pay liquidated damages to the said Agency equal to 5 per cent of annual export obligation subject to a maximum of Rs. 5.00 lakhs.

(iii) Government is also entitled and is at liberty to take possession of the goods in ffuestion produced by the Company to the specific extent and also to take such other action as it may consider necessary in addition to recovering the liquidated damages.

(iv) In the event of the party not handing over the goods to STC or the nominated Agnecy for export, the only remedy available is that of proceeding against them in a court of law for breach of contract under the provisions of Indian Contract Act.

(v) Apart from the above, action may be initiated under the provisions of Import and Export (Control) Act, 1947 and/or Import (Control) Order, 1955.

(d) and (e) As indicated above, the project shall export 40 per cent of its own manufactured products and the remaining can be sold in the domestic market. There is no change in this conditon.

Effect of Gulf Crisis on Drug Smuggling

1070. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Gulf Crisis has led to the increased drug smuggling in India; and

(b) if so, what are the reasons therefor; and what steps Government have taken to check this activity?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) There are no indications to show that Gulf crisis has led to increased drug smuggling in India.

(b) Does not arise in view of (a) above.

Tiwari Committee on Loan Recovery by Banks

1071. SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Tiwari Committee had recommended for a special legislation to give some teeth to the loan recovery operations by banks; and

(b) if so, when the commitee submitted its report and what is the